GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:44
ANSWERED ON:24.11.2006
DELAY IN CLEARANCE OF CHEQUES
Singh Shri Chandra Bhushan;Tripathy Shri Braja Kishore

Will the Minister of FINANCE be pleased to state:

(a) the details of the Reserve Bank of India guidelines in regard to cheque clearance policy presently in vogue;

(b) whether the public and private sector banks are earning crores of rupees a day by deliberately delaying in crediting cheques sent to them for clearance as reported in the Hindu dated September 4, 2006;

(c) if so the details of the banks found involved in such practices; and

(d) the steps taken or proposed to be taken against the banks for violation of Reserve Bank of India guidelines?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.44 FOR 24th NOVEMBER, 2006 REGARDING DELAY IN CLEARANCE OF CHEQUES TABLED BY SHRI CHANDRA BHUSHAN SINGH AND SHRI BRAJA KISHORE TRIPATHY

(a) : Reserve Bank of India (RBI) has, vide its guidelines dated 1st November. 2004, advised all scheduled commercial banks to formulate a Board approved comprehensive and transparent policy covering issues relating to

(i) immediate credit of local / outstation cheques,
(ii) time frame for collection of local / outstation cheques and
(iii) interest payment for delayed collection.

While formulating their policies, the banks have been advised to take into account their technological capabilities, systems and processes adopted for clearing arrangements and other internal arrangements for collection through correspondents and ensure wide publicity of the policy so formulated. It has, however, been clearly specified that the RBI and the Banking Ombudsmen would continue to exercise the prerogative to examine any dispute which may arise between the bank and any of its customers, vis-a-vis their published policies and procedures.

(b) to (d) : RBI does not have any such instances on record that any bank has made huge earnings in cheque clearing and deliberately delaying the credit. If any specific instances of violation of RBI`s guidelines are noticed, it takes appropriate regulatory action.